

Dear Mr

### Local Government Pension Scheme

I refer to your recent request for an estimate of your pension benefits in the above Scheme.

If your employment with the City of London were to cease on ..... I have estimated that you would be entitled to an award of preserved retirement benefits as detailed below:

<b>Annual Pension</b>	<b>£ 0.00</b>
<b>Lump Sum</b>	<b>£ 0.00</b>

Please note that your preserved retirement benefits will become payable from your State Pension Age which is currently .....; you may elect to receive payment of reduced benefits from ..... The reduced amounts that would be payable are detailed below:

<b>Annual Pension</b>	<b>£ 0.00</b>
<b>Lump Sum</b>	<b>£ 0.00</b>

The figures above are based on current salary information and the current scheme rules. Your actual pension benefit will be calculated at the date of your retirement and the amount payable may be different.

### Calculation of Final Salary Pension benefits

Your pension benefits up to 31 March 2014 are based on your membership and your final pay on leaving. Your final pay is usually the pensionable pay in respect of your final year of scheme membership or one of the two previous years' if this is higher. If you were working part-time your final pay is the pay that you would have received had you worked whole-time.

If we have used a previous year's pay in the figures above and you subsequently receive an increase to your salary (e.g. due to a pay award or a bonus payment) your final year's pay may become higher and pension increases would apply from a later date. This means that although your basic pension benefit may increase the cost of living increases may be less and consequently the total pension benefit payable could be lower.

### Calculation of Career Average Revalued Earnings (CARE) benefits

From 1 April 2014 your pension is calculated each year by taking 1/49<sup>th</sup> of your pensionable pay in that year and adding it to your Pension Account. The amount of pension in your Pension Account at the end of each scheme year will be adjusted in line with the cost of living.

### **Exchanging annual pension for lump sum**

At retirement you will have an option to convert some of your annual pension to provide for a larger lump sum. For every £1.00 of annual pension converted, you would receive an additional lump sum of £12.00.

The amount you are allowed to convert is limited by HM Revenues and Customs. Based on the figures quoted above, the maximum pension available for conversion would be £0.00, which would provide you with an additional lump sum of £0.00.

If you have any queries, please contact .....

Yours sincerely